

# **Consolidated Financial Results for the Six Months Ended September 30, 2022**

**November 16, 2022**

**SHIBAURA MACHINE CO., LTD.**

# **Consolidated Financial Results Overview for the Six Months Ended September 30, 2022**

- 1) Key Points of Financial Results**
- 2) Comparison with Forecast**
- 3) Year-on-Year Comparison**

## Increased Revenue and Profits Year-on-Year

### ■ Orders Received

- Despite the impact of the lockdown in China, the order environment remained robust, with significant growth mainly in North America, China, and India
- Strong demand continues for LiB separator film production lines for EV, which has increased significantly
- Amid the decarbonization movement, there were increases in medium to large electric injection molding machines in North America, and in hydraulic injection molding machines in India, where economic activity has been growing

### ■ Net Sales

- Increases in all segments despite the lockdown in China
- Injection molding machines in North America and India increased
- Increases in large machine tools for industrial machinery in Japan and for energy in North America

### ■ Operating Profit, Ordinary Profit, Quarterly Net Profit

- Operating profit and ordinary profit decreased due to lower profit in the metal & plastics industrial machine segment, higher material prices, etc., despite higher profit due to yen depreciation
- Net profit increased due to a decrease in tax expenses

# Performance Summary (vs. Forecast)

Shibaura Machine

(Unit: 100 million yen)

	<b>Q2 FY2022 Cumulative (A)</b>	<b>Q2 FY2022 Forecast (B)</b>	<b>Increase/ Decrease (A-B)</b>
<b>Net sales</b>	<b>589</b>	<b>580</b>	<b>+9</b>
<b>Operating profit</b>	<b>16</b>	<b>8</b>	<b>+8</b>
<b>Profit ratio</b>	<b>2.8%</b>	<b>1.4%</b>	<b>+1.4pt</b>
<b>Ordinary profit</b>	<b>21</b>	<b>15</b>	<b>+6</b>
<b>Profit ratio</b>	<b>3.7%</b>	<b>2.6%</b>	<b>+1.1pt</b>
<b>Net profit attributable to owners of parent</b>	<b>18</b>	<b>8</b>	<b>+10</b>
<b>Profit ratio</b>	<b>3.1%</b>	<b>1.4%</b>	<b>+1.7pt</b>
<b>Orders received</b>	<b>1,100</b>	<b>1,000</b>	<b>+100</b>
<b>Exchange rate (USD)</b>	<b>145 yen</b>	<b>130 yen</b>	

- There was an increase in orders received due to the continued strong order environment in the metal & plastics industrial machine segment.
- Net sales, operating profit, ordinary profit and net profit increased mainly due to the impact of yen depreciation that exceeded the forecast exchange rate level

# Performance Summary (Year-on-Year)

Shibaura Machine

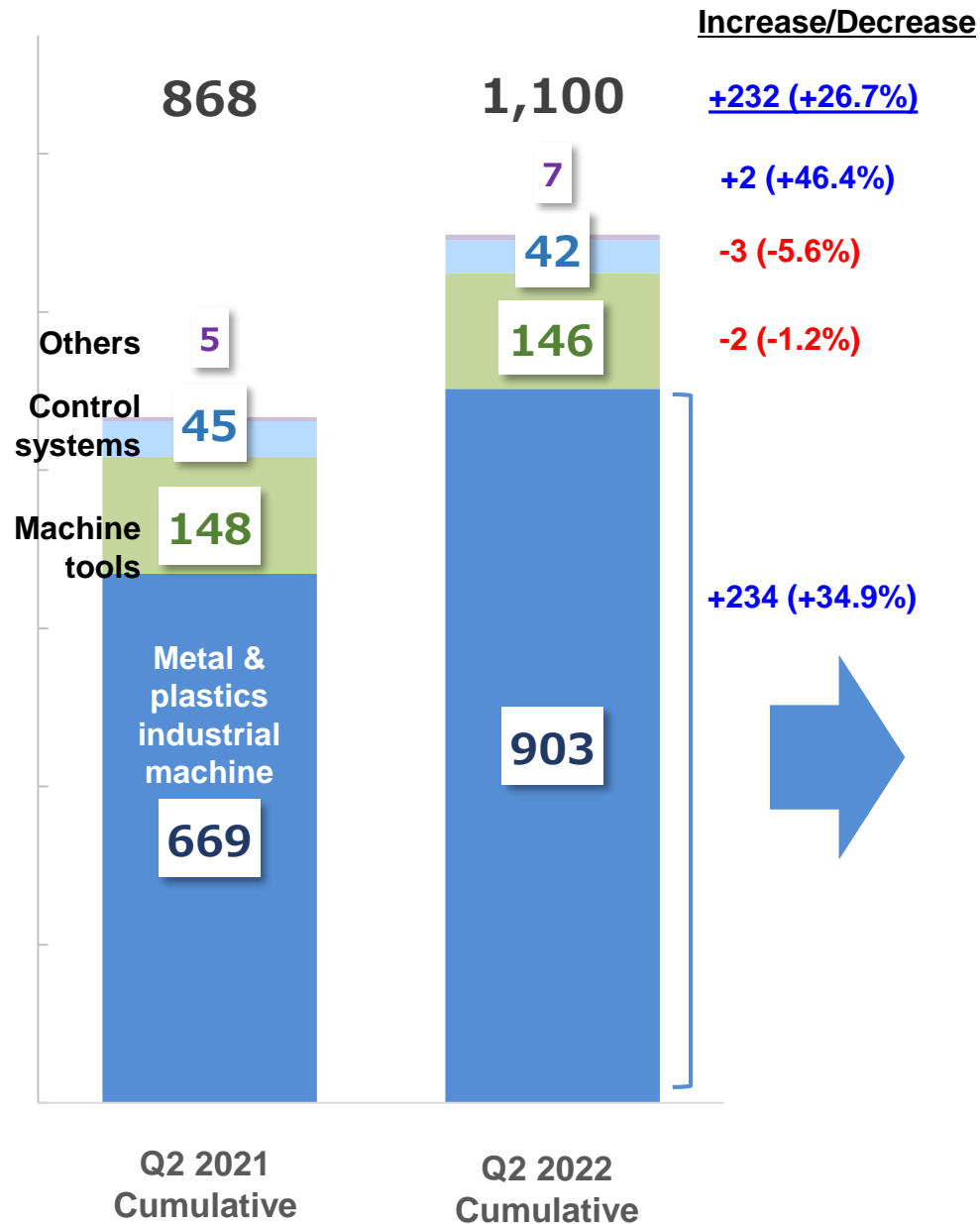
(Unit: 100 million yen)

	Q2 FY2022 Cumulative (A)	Q2 FY2021 Cumulative (B)	Increase/ Decrease (A-B)
<b>Net sales</b>	<b>589</b>	<b>536</b>	<b>+53</b>
<b>Operating profit</b>	<b>16</b>	<b>23</b>	<b>- 7</b>
<b>Profit ratio</b>	<b>2.8%</b>	<b>4.4%</b>	<b>- 1.6pt</b>
<b>Ordinary profit</b>	<b>21</b>	<b>23</b>	<b>- 2</b>
<b>Profit ratio</b>	<b>3.7%</b>	<b>4.4%</b>	<b>- 0.7pt</b>
<b>Net profit attributable to owners of parent</b>	<b>18</b>	<b>17</b>	<b>+1</b>
<b>Profit ratio</b>	<b>3.1%</b>	<b>3.3%</b>	<b>- 0.2pt</b>
<b>Orders received</b>	<b>1,100</b>	<b>868</b>	<b>+232</b>
<b>Exchange rate (USD)</b>	<b>145 yen</b>	<b>112 yen</b>	

# Amount of Orders Received (By Segment)

Shibaura Machine

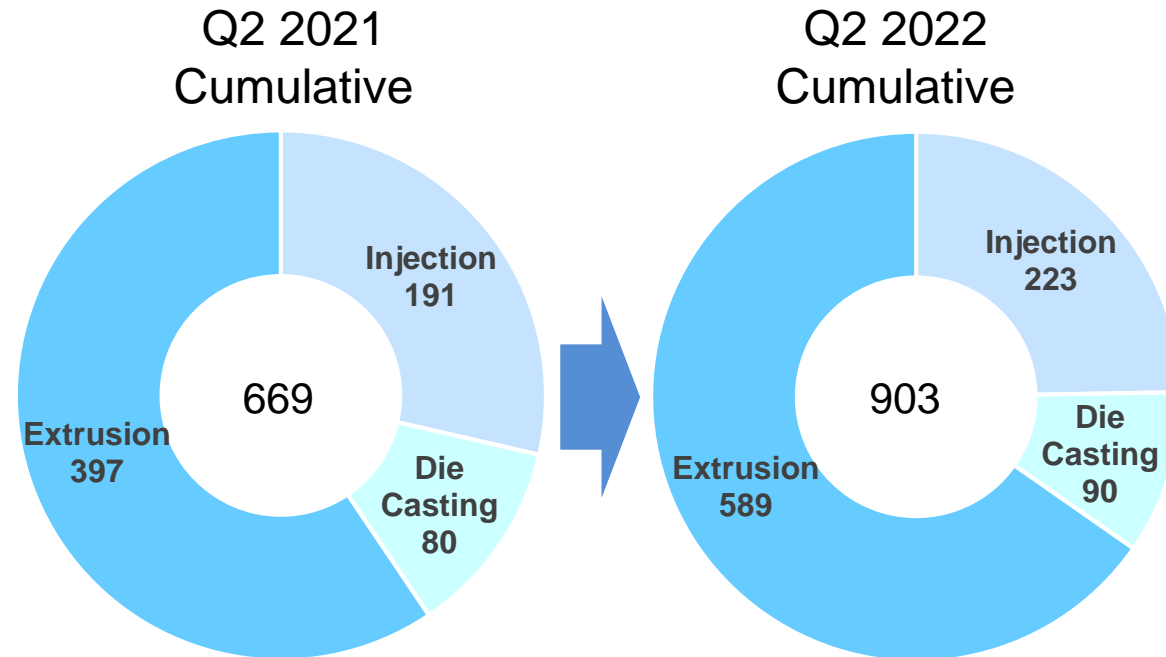
(Unit: 100 million yen)



(Unit: 100 million yen)

## Breakdown of Metal & Plastics Industrial Machinery

Injection: Injection molding machines  
 Die Casting: Die casting machines  
 Extrusion: Extrusion machines

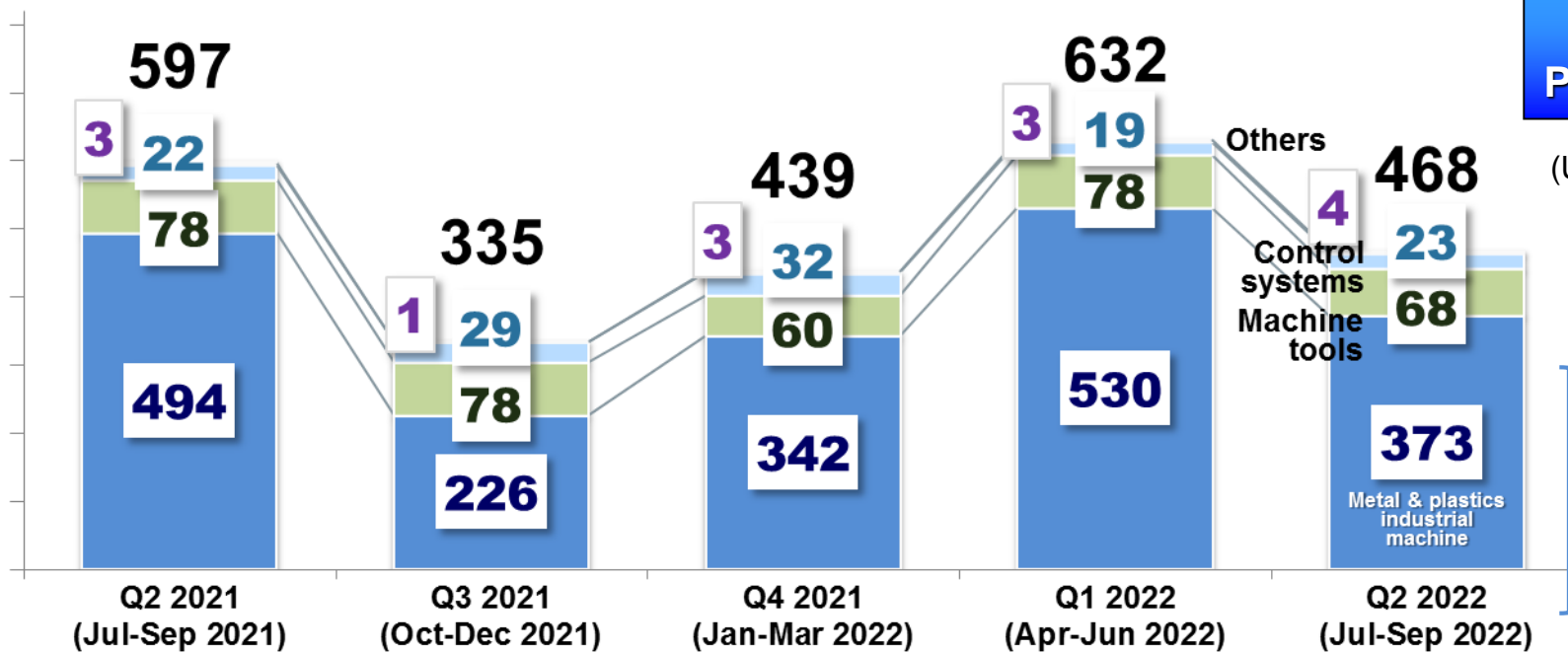


# Trends of Orders Received (By Segment)

Shibaura Machine

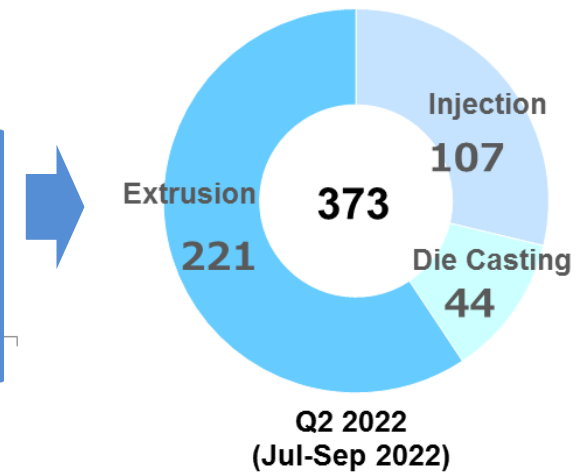
(Unit: 100 million yen)

Machine tools: Large machine tools (machine tool segment)  
 Precision: High-precision machine tools (machine tool segment)  
 Control: Control systems



## Breakdown of Metal & Plastics Industrial Machinery

(Unit: 100 million yen)



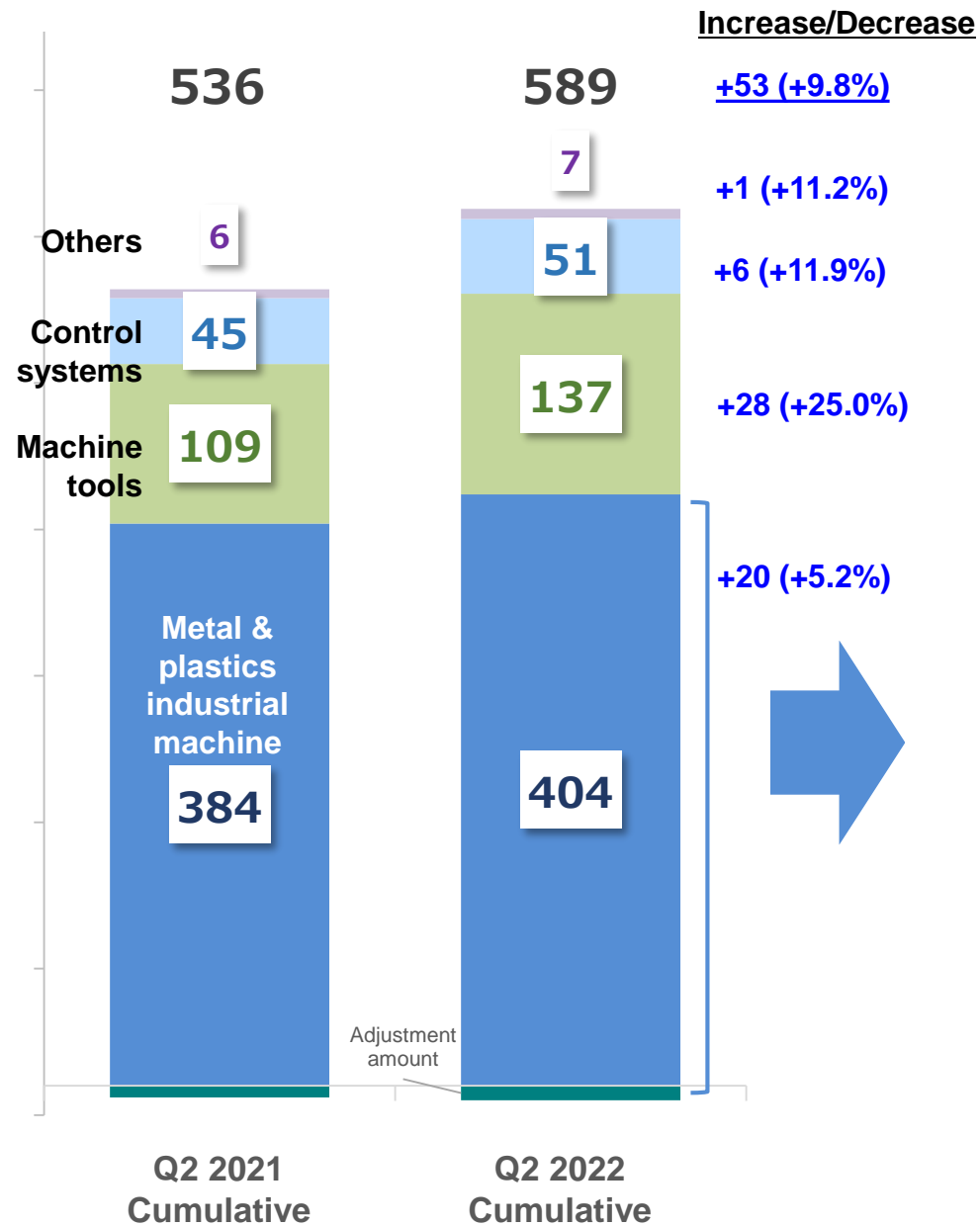
### Current Orders

- Injection: Increase in medium to large electric machines due to the trend toward decarbonization in North America, and increase in hydraulic machines in India
- Extrusion: Continued strong demand for separator film manufacturing equipment for EV lithium-ion batteries in China
- Machine Tools: Increase in industrial machine applications in Japan and energy applications in North America, with steady demand for wind power generation in China
- Precision: Decrease in smartphone lens molds in China and Taiwan despite increase in optical molds in Japan and automotive lens molds in Japan, China, and Taiwan

# Net Sales (By Segment)

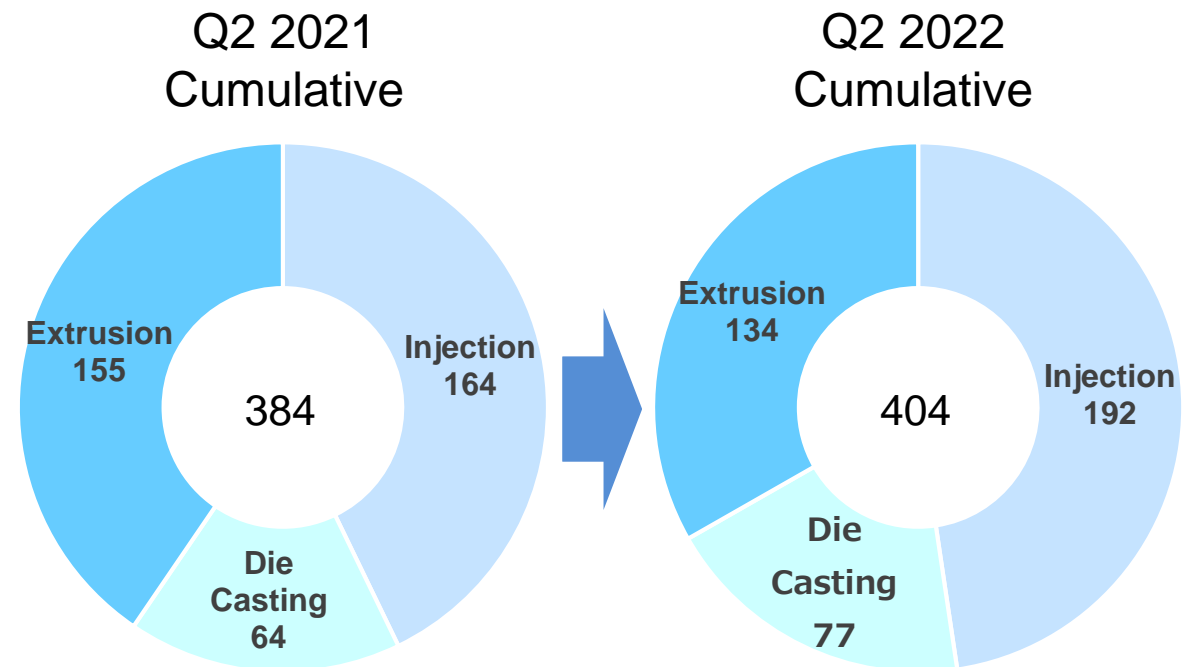
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

## Breakdown of Metal & Plastics Industrial Machinery

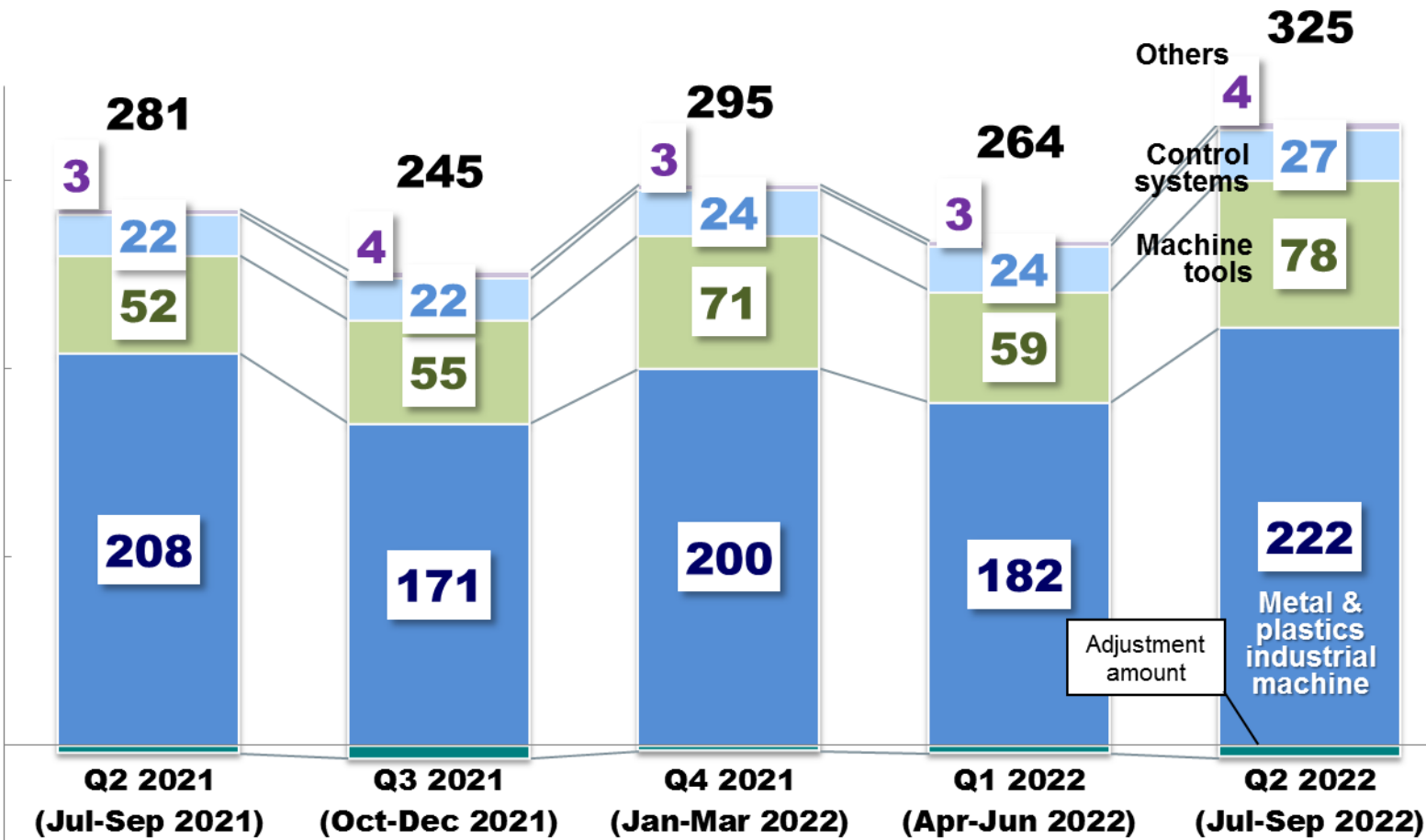




# Trends of Net Sales (By Segment)

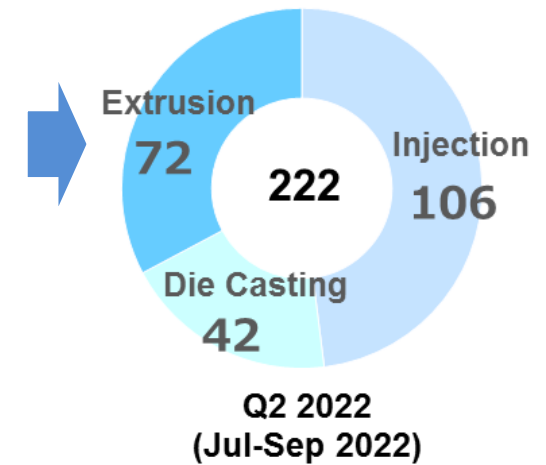
Shibaura Machine

(Unit: 100 million yen)



## Breakdown of Metal & Plastics Industrial Machinery

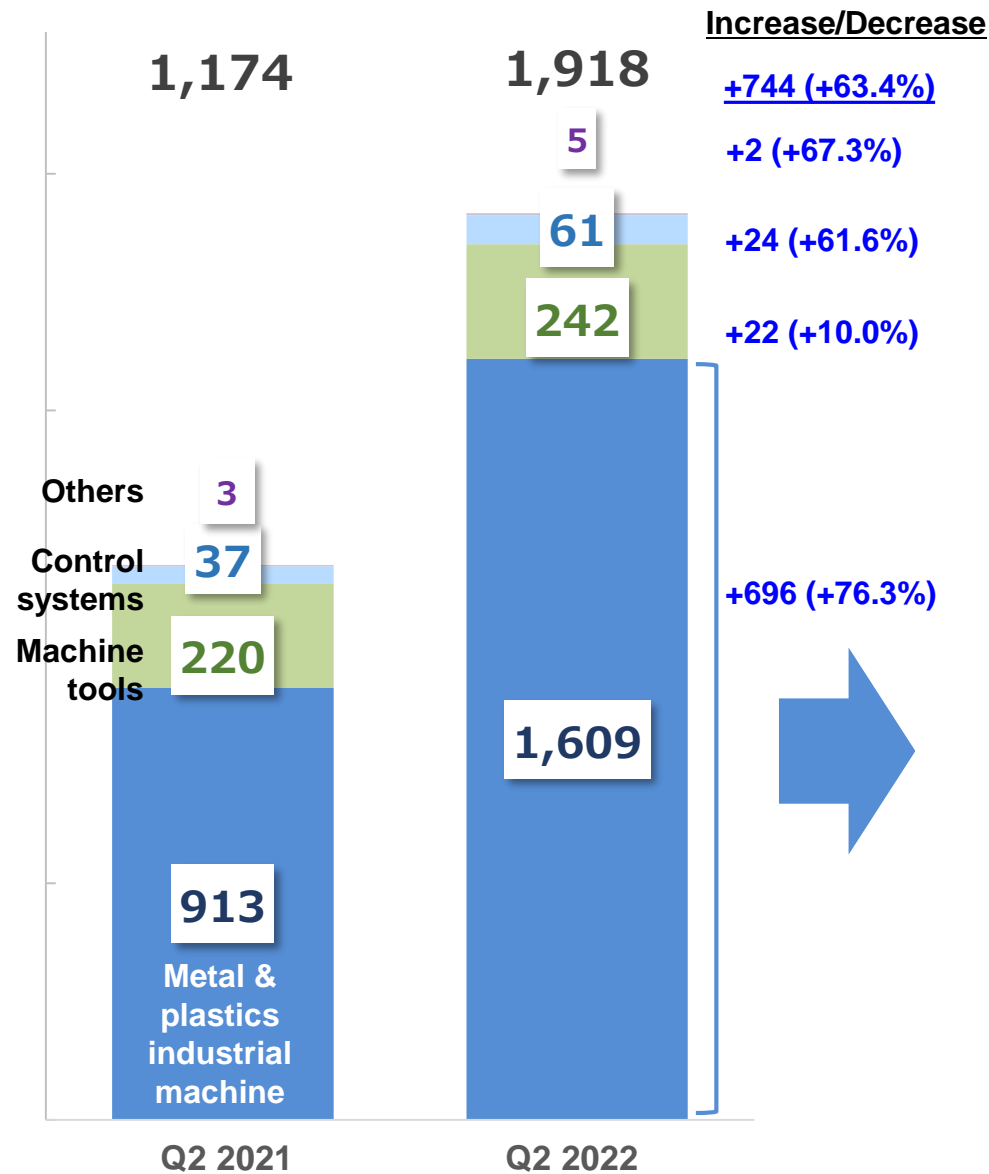
(Unit: 100 million yen)



# Order Backlog (By Segment)

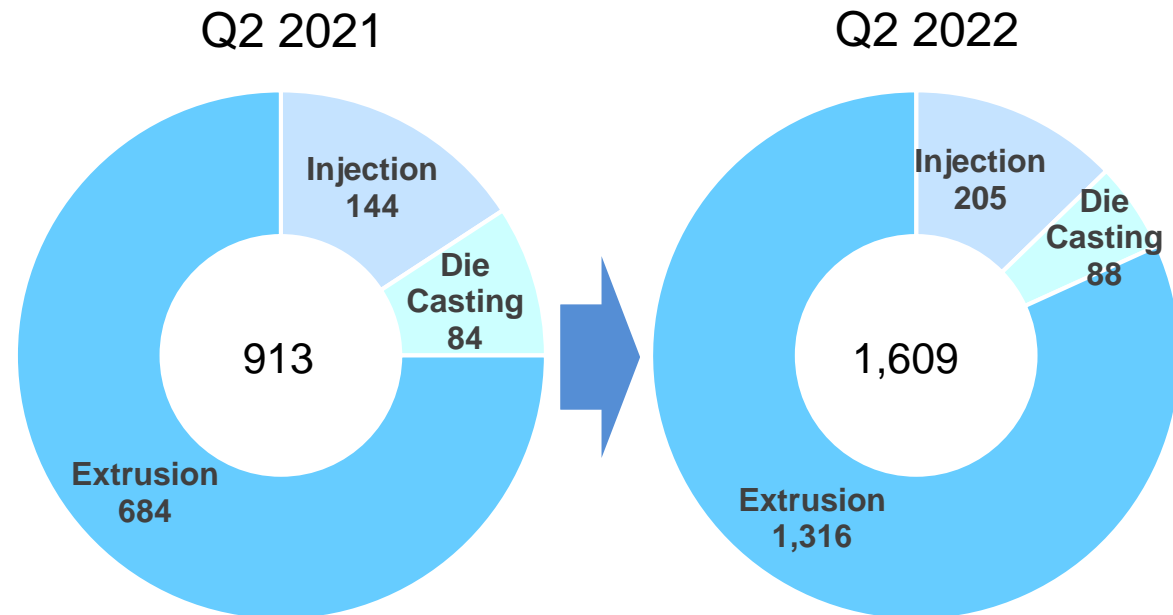
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

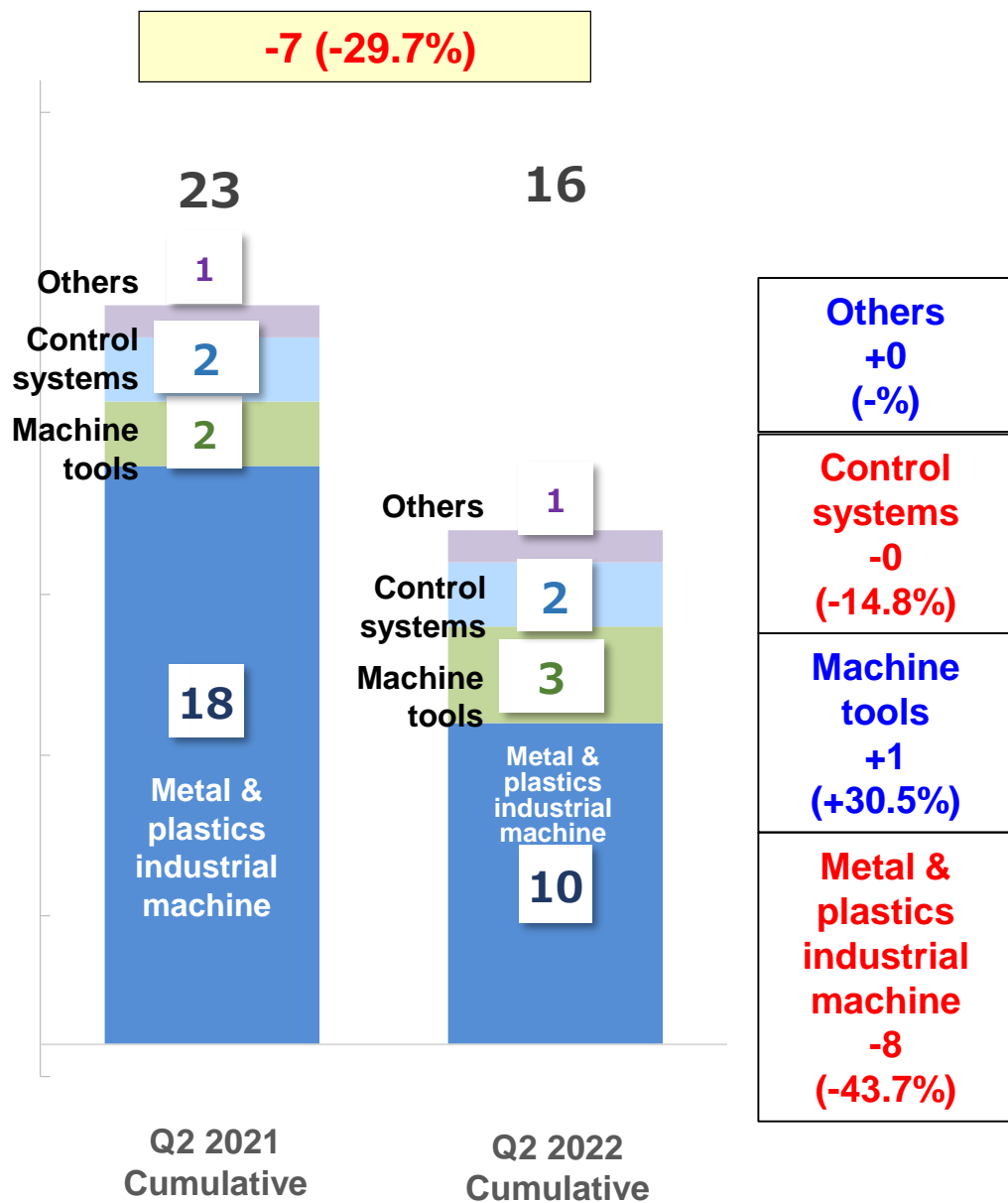
## Breakdown of Metal & Plastics Industrial Machinery



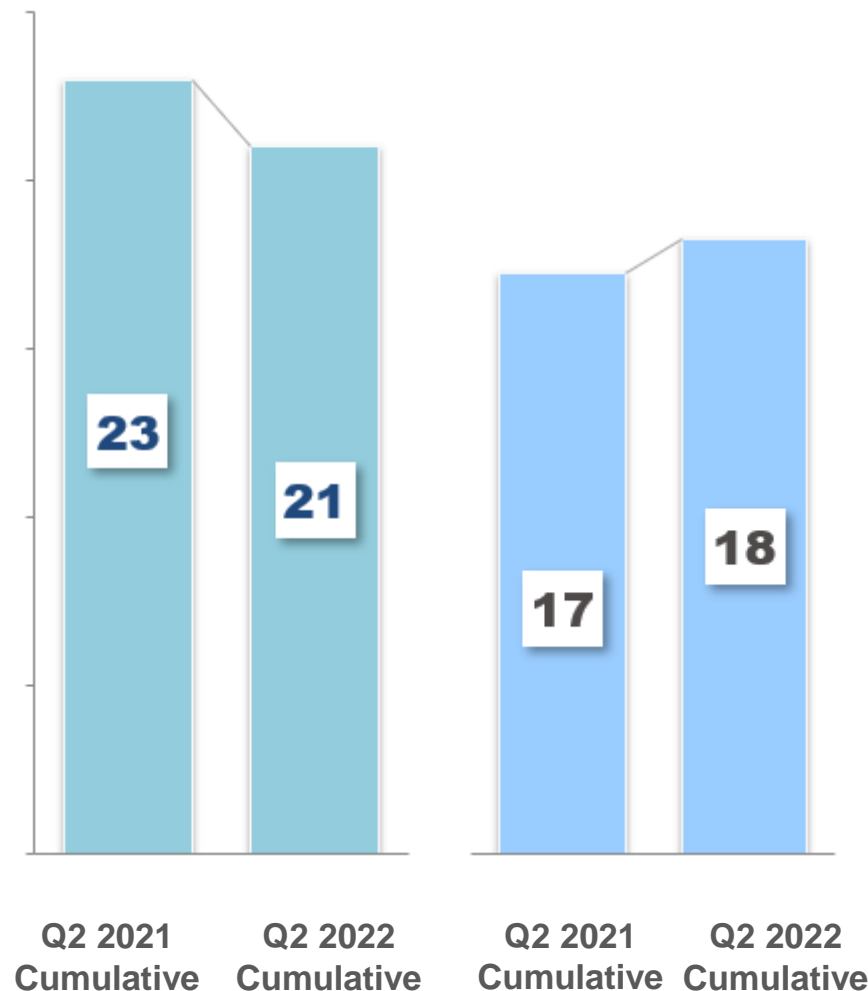
# Operating Profit (By Segment), Ordinary Profit, Net Profit

Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)



# (Metal & Plastics Industrial Machinery) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Injection molding machines, die casting machines, extrusion machines, etc.)

	Q2 2022 Cumulative	Q2 2021 Cumulative	Increase/ Decrease Amount	Increase/ Decrease Ratio
Net Sales	404	384	+20	+5.2%
Operating profit	10	18	- 8	-43.7%
Profit ratio	2.6%	4.8%	—	- 2.2pt

## Performance Factor Analysis



### Positive Factors

- Injection: Increase in the number of medium to large electric machines amid the decarbonization trend in North America, and increase in hydraulic machines in India
- Extrusion: Robust demand for LiB separator film production lines for EV in China



### Negative Factors

- Fluctuation in profit ratio due to sales composition
- Difficulty and rising costs in procurement of materials for semiconductors, etc. as well as logistics stagnation and cost increases
- Impact of lockdown in China

# (Machine Tools) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Machine tools, high-precision machine tools, etc.)

	Q2 2022 Cumulative	Q2 2021 Cumulative	Increase/ Decrease Amount	Increase/ Decrease Ratio
Net Sales	137	109	+28	+25.0%
Operating profit	3	2	+1	+30.5%
Profit ratio	2.3%	2.2%	—	+0.1pt

## Performance Factor Analysis



### Positive Factors

- Machine Tools: Increase in demand for industrial machinery in Japan and for energy applications in North America



### Negative Factors

- Precision: Decrease in smartphone lens molds in China and Taiwan
- Higher procurement costs and installation and acceptance inspection delays due to the COVID-19 pandemic

# (Control Systems) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Industrial robots, electronic control systems, etc.)

	Q2 2022 Cumulative	Q2 2021 Cumulative	Increase/ Decrease Amount	Increase/ Decrease Ratio
Net Sales	51	45	+6	+11.9%
Operating profit	2	2	- 0	-14.8%
Profit ratio	4.4%	5.7%	—	- 1.3pt

## Performance Factor Analysis



### Positive Factors

- Increase in engineering solutions and electronic control systems in Japan



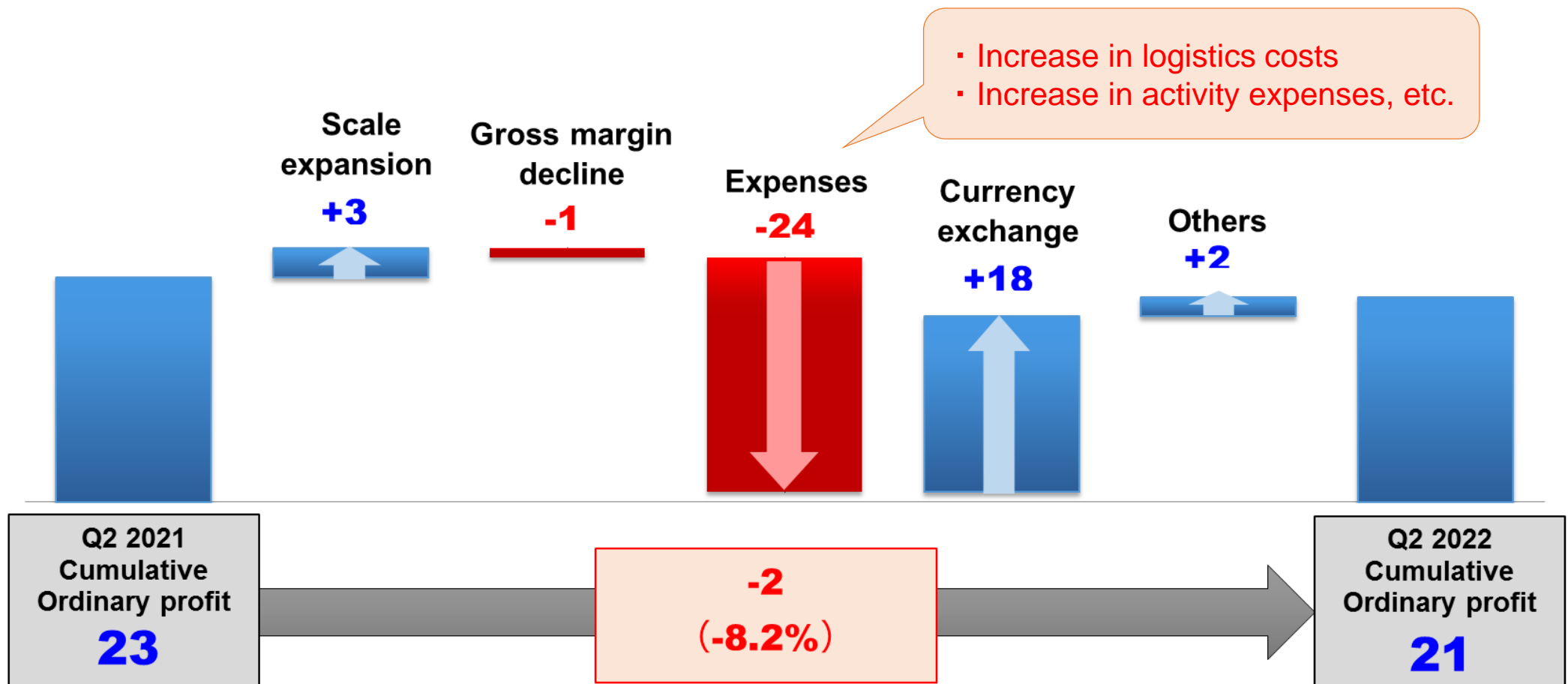
### Negative Factors

- Difficulty and rising costs in procurement of materials for semiconductors, etc.
- Impact of lockdown in China

# Ordinary Profit Analysis

Shibaura Machine

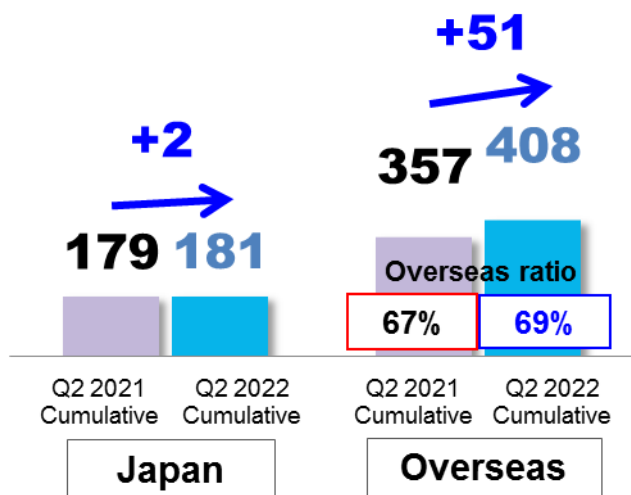
(Unit: 100 million yen)



# Domestic and Overseas Sales

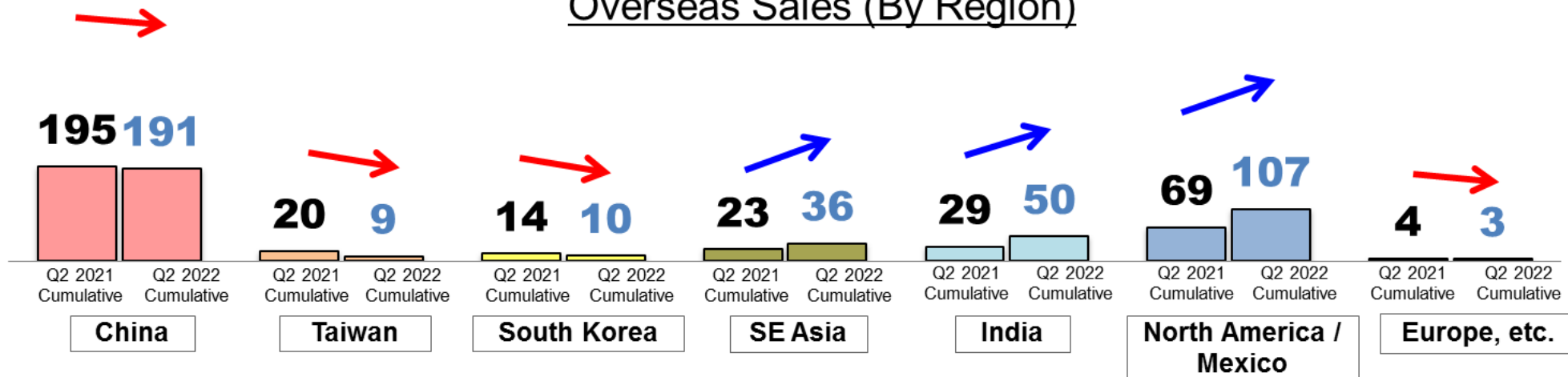
Shibaura Machine

(Unit: 100 million yen)



- Japan : ➡ [Die Casting] [Machine Tools] [Control Systems] Increase  
➡ [Injection] [Extrusion] [Precision] Decrease
- China : ➡ [Extrusion] Increase  
➡ [Injection] [Die Casting] [Control Systems] Decrease
- SE Asia : ➡ [Injection] [Die Casting] Increase
- India : ➡ [Injection] Increase
- North America / Mexico : ➡ [Injection] [Die Casting] [Machine Tools] Increase

## Overseas Sales (By Region)

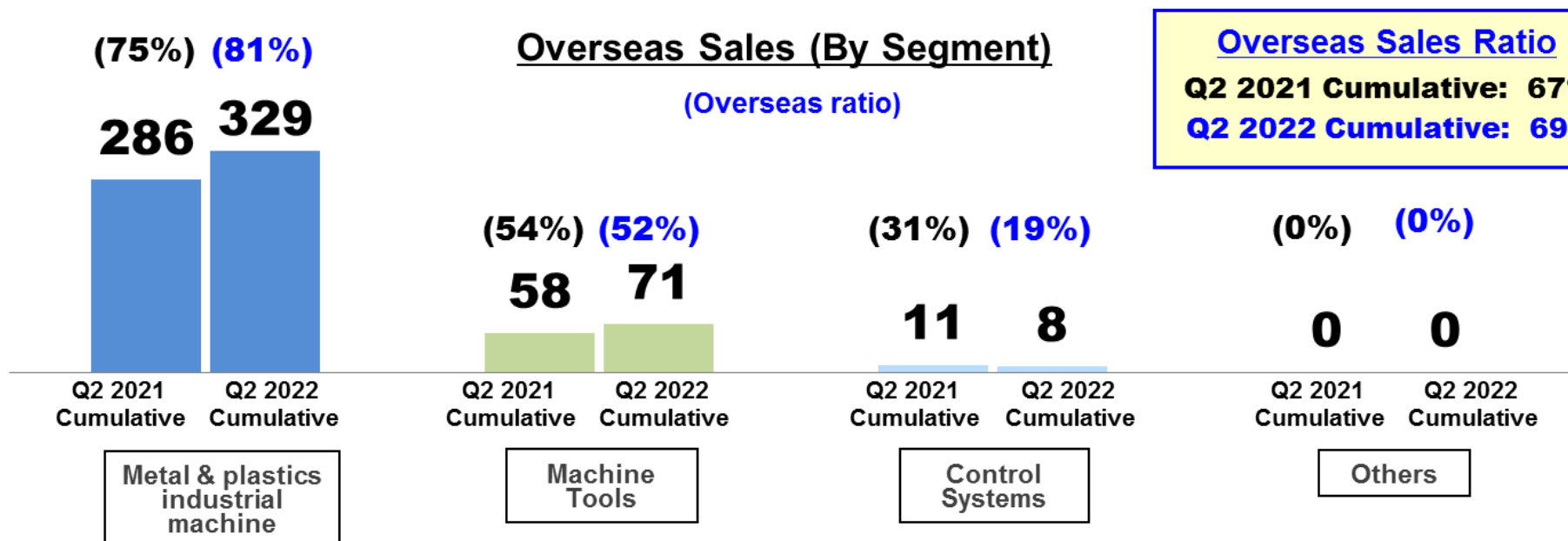




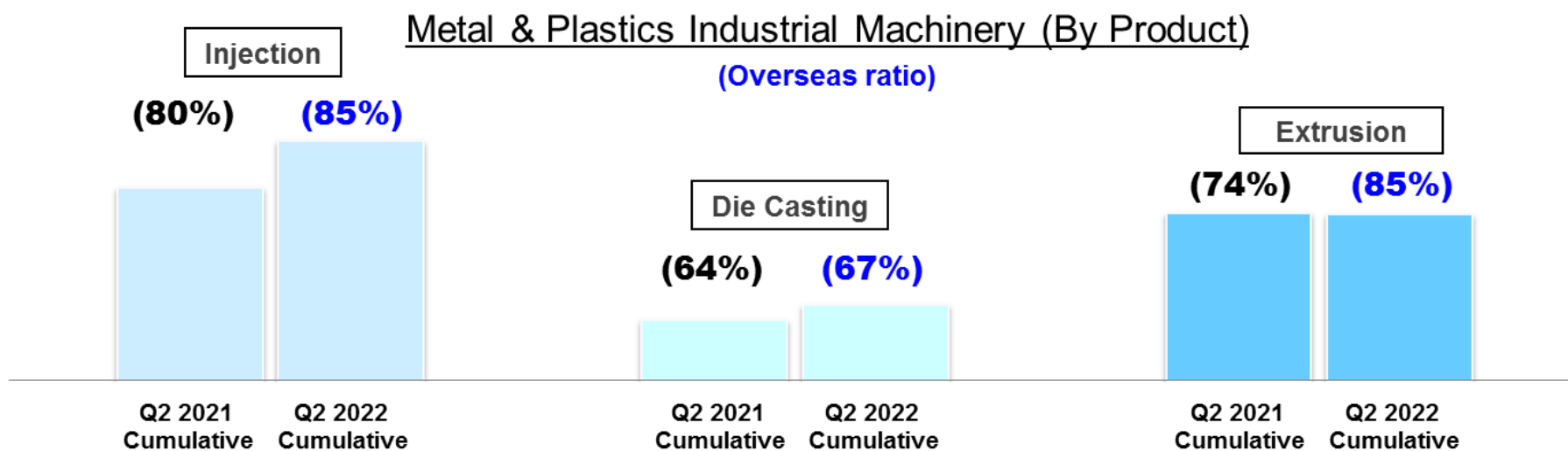
# Overseas Sales and Ratio (By Segment)

Shibaura Machine

(Unit: 100 million yen)



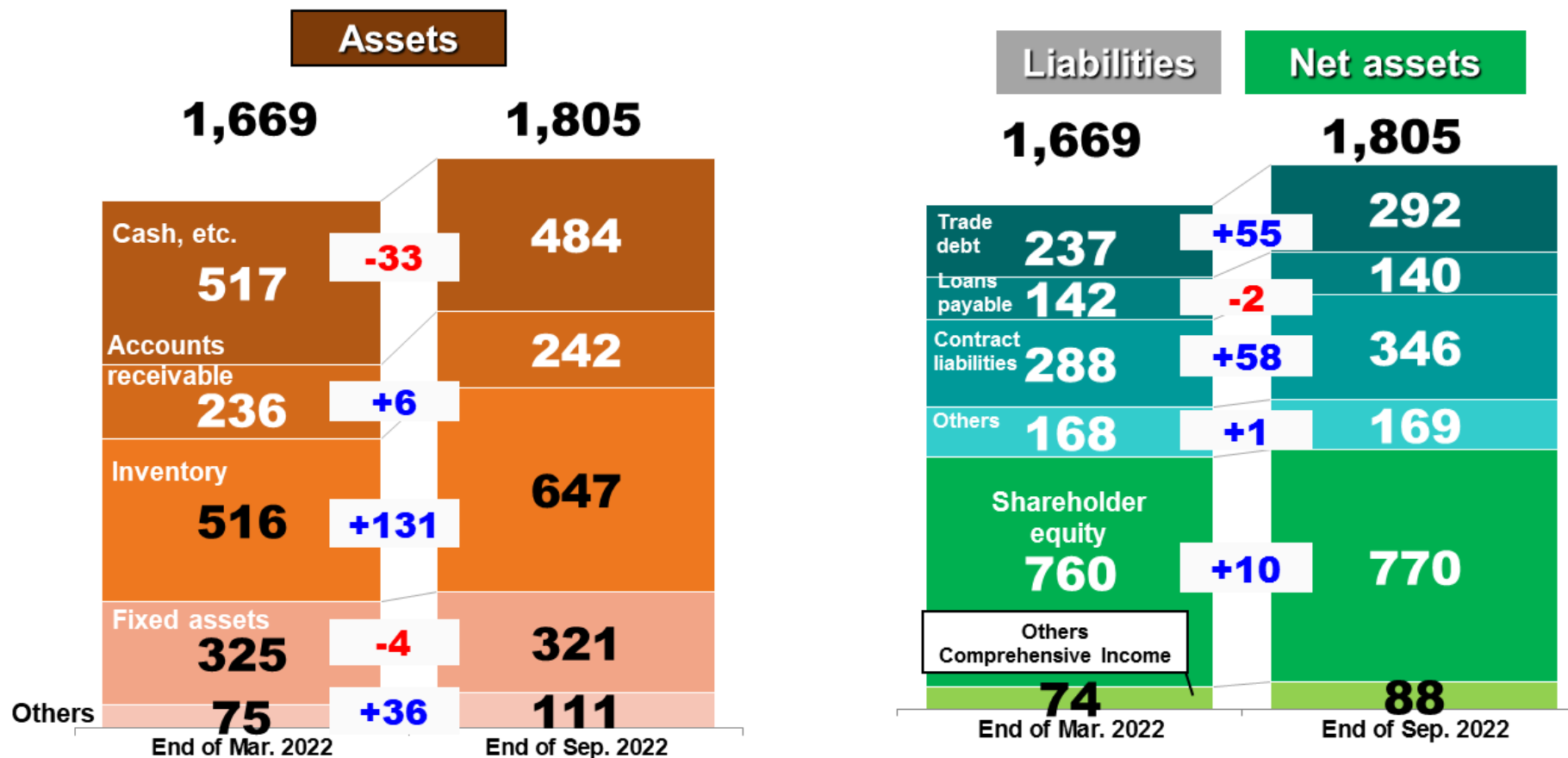
\* Bar graph represent amounts



# Balance Sheet

Shibaura Machine

(Unit: 100 million yen)



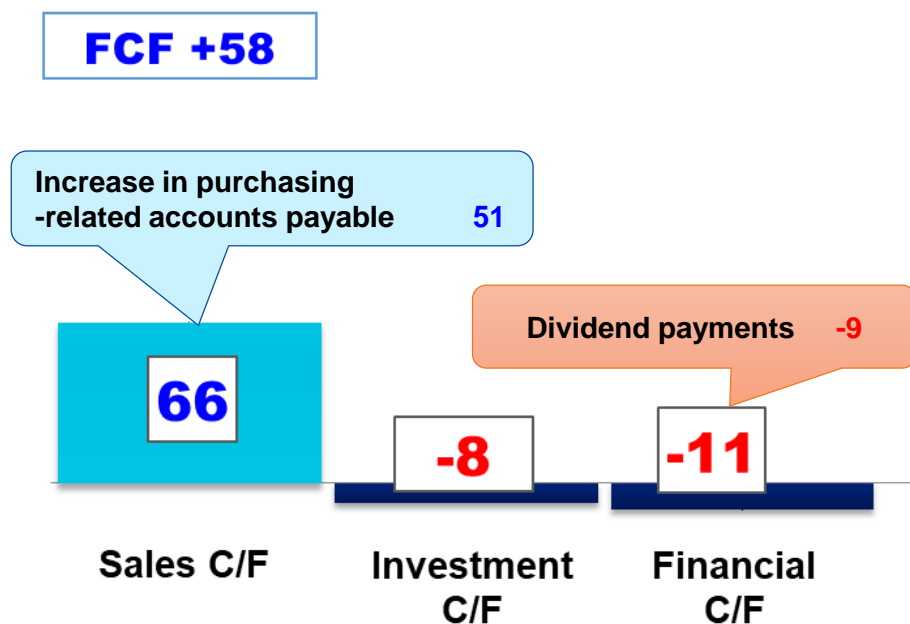
	End of Mar. 2022	End of Sep. 2022
Equity ratio	<b>50.0%</b>	<b>47.6%</b>
D/E ratio	<b>17.0%</b>	<b>16.3%</b>

# Cash Flow Statements

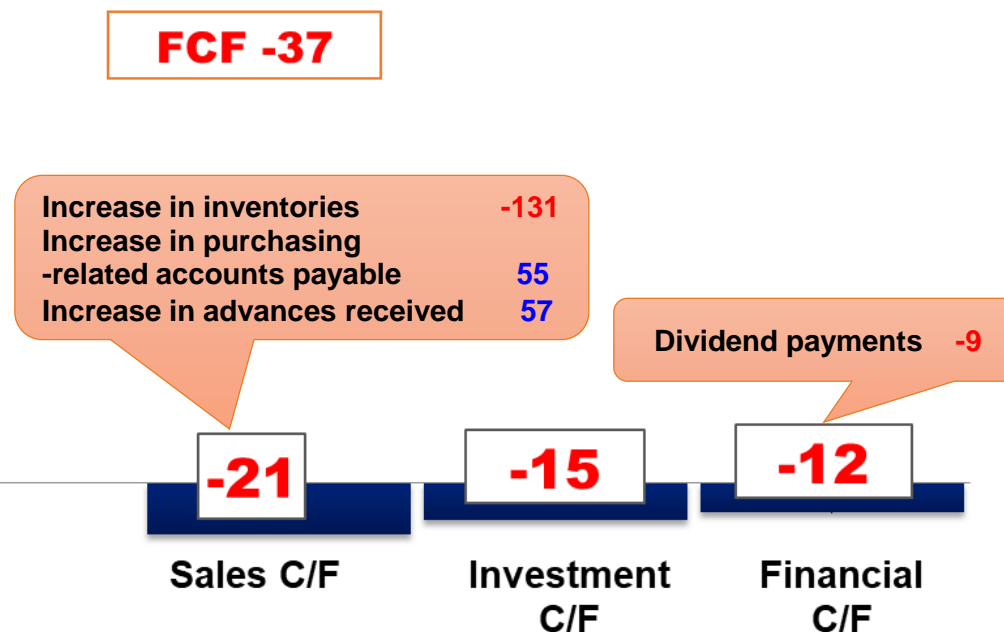
Shibaura Machine

(Unit: 100 million yen)

## Q2 2021 Cumulative



## Q2 2022 Cumulative



	Q2 2021 Cumulative	Q2 2022 Cumulative	Increase/Decrease
Opening balance of cash and cash equivalents	<b>424</b>	<b>517</b>	<b>93</b>
C/F from operating activities	<b>66</b>	<b>-21</b>	<b>-87</b>
C/F from investment activities	<b>-8</b>	<b>-15</b>	<b>-7</b>
C/F from financial activities	<b>-11</b>	<b>-12</b>	<b>-1</b>
Total	<b>46</b>	<b>-48</b>	<b>-94</b>
Transitional differences	<b>0</b>	<b>16</b>	<b>16</b>
Closing balance of cash and cash equivalents	<b>470</b>	<b>484</b>	<b>14</b>

# **Forecast of Consolidated Financial Results for the Year Ending March 31, 2023**

- 1) Financial Results Forecast**
- 2) R&D Expenses, Capital Expenditures,  
Depreciation Expenses**
- 3) Dividend Forecast**

- The full-year financial results forecast announced on May 26, 2022 was difficult to rationally calculate due to the lockdown in China and other factors.
- With the aim of achieving the Medium-Term Management Plan figures of net sales of 120 billion yen and operating profit of 6 billion yen set for FY2022 in the Management Reform Plan (FY2020-FY2023), above figures were used as the forecasts for FY2022 (only full-year forecasts were disclosed).
- Previously undisclosed forecast for the first half was newly calculated and announced on July 29, 2022 (full-year forecast was not calculated and unchanged).
- The full-year forecast announced on November 9, 2022 revised the figures that had not yet been calculated to net sales of 130 billion yen and operating profit of 5 billion yen based on new calculations.

# FY2022 Financial Results Summary

Shibaura Machine

(Unit: 100 million yen)

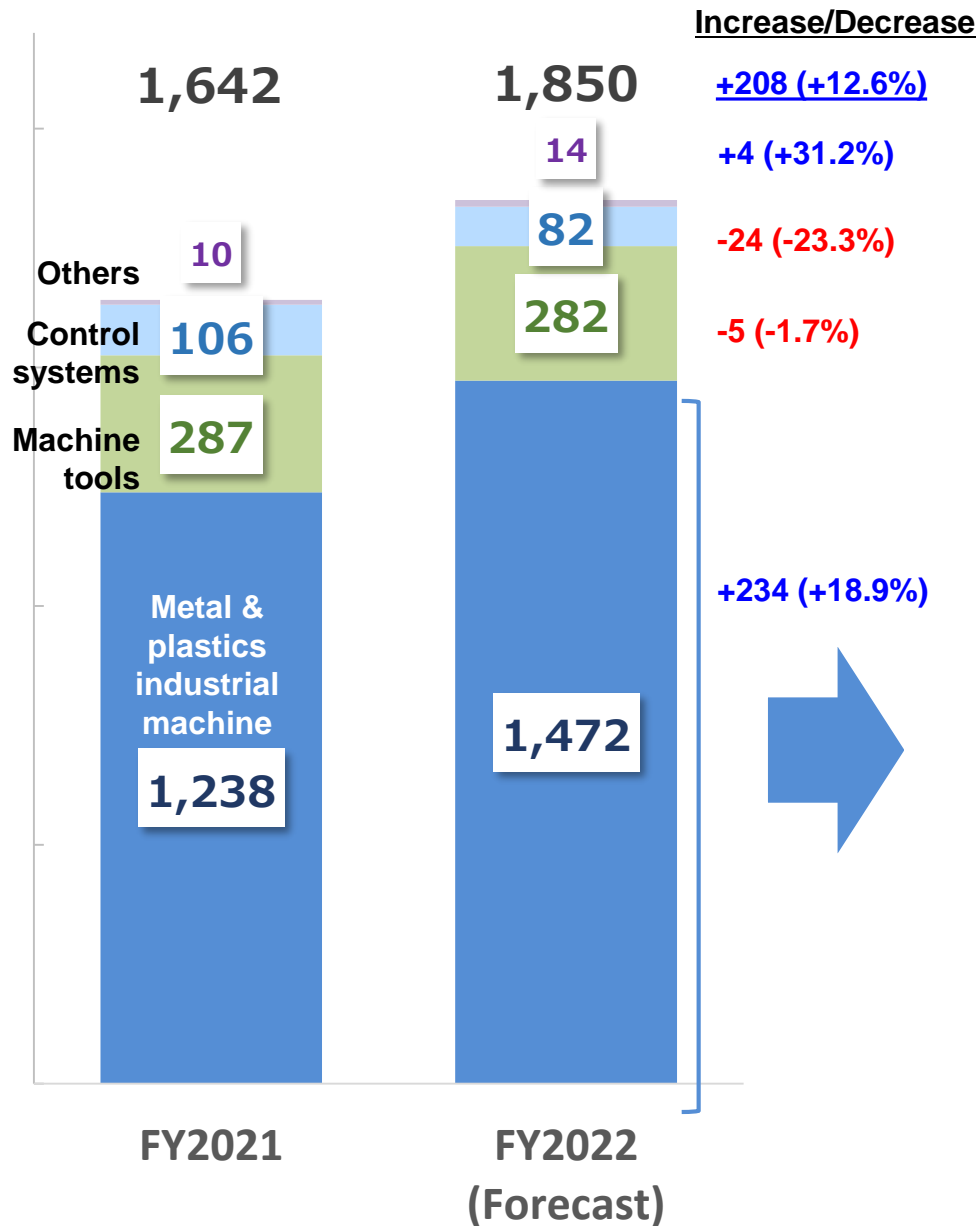
## Increase in Sales and Profit from the Previous Fiscal Year

	FY2022 Initial Forecast (Issued May 26, 2022)	FY2022 Forecast (Issued Nov. 19, 2022) (A)	FY2021 Results (B)	Increase/ Decrease (A-B)
<b>Net sales</b>	<b>1,200</b>	<b>1,300</b>	<b>1,077</b>	<b>+223</b>
<b>Operating profit</b>	<b>60</b>	<b>50</b>	<b>42</b>	<b>+8</b>
<b>Profit ratio</b>	<b>5.0%</b>	<b>3.8%</b>	<b>3.9%</b>	<b>- 0.1pt</b>
<b>Ordinary profit</b>	<b>54</b>	<b>54</b>	<b>45</b>	<b>+9</b>
<b>Profit ratio</b>	<b>4.5%</b>	<b>4.2%</b>	<b>4.2%</b>	<b>+0.0pt</b>
<b>Net profit attributable to owners of parent</b>	<b>42</b>	<b>43</b>	<b>37</b>	<b>+6</b>
<b>Profit ratio</b>	<b>3.5%</b>	<b>3.3%</b>	<b>3.5%</b>	<b>- 0.2pt</b>
<b>Orders received</b>		<b>1,850</b>	<b>1,642</b>	<b>+208</b>
<b>Exchange rate (USD)</b>		<b>137</b> yen	<b>122</b> yen	

# Amount of Orders Received (By Segment)

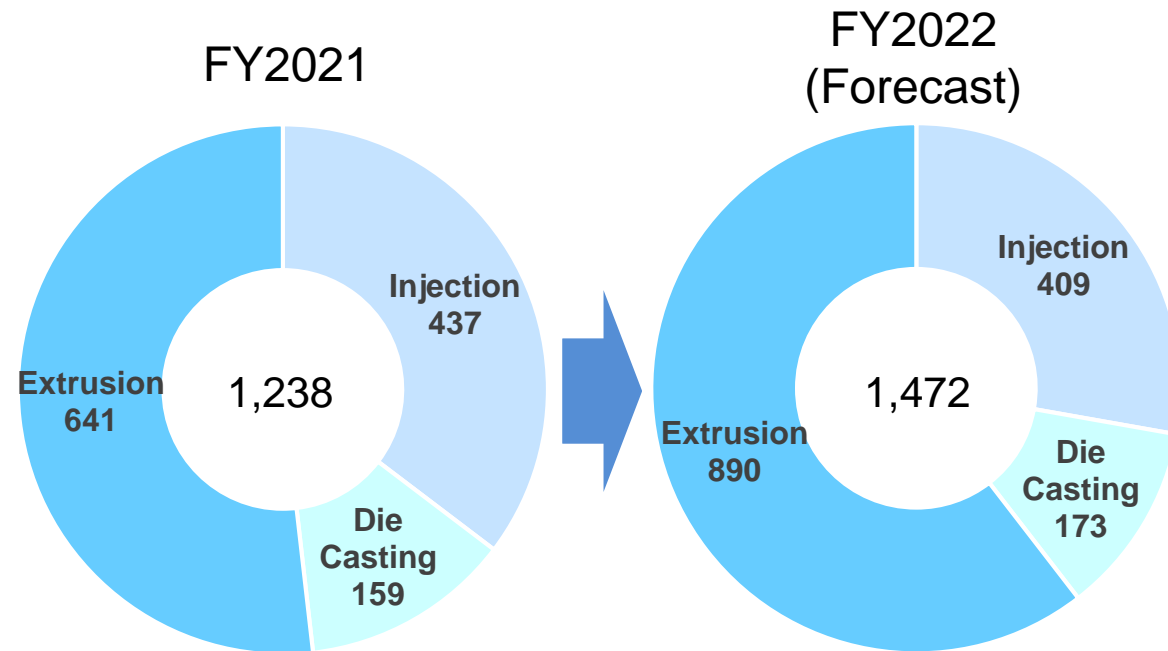
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

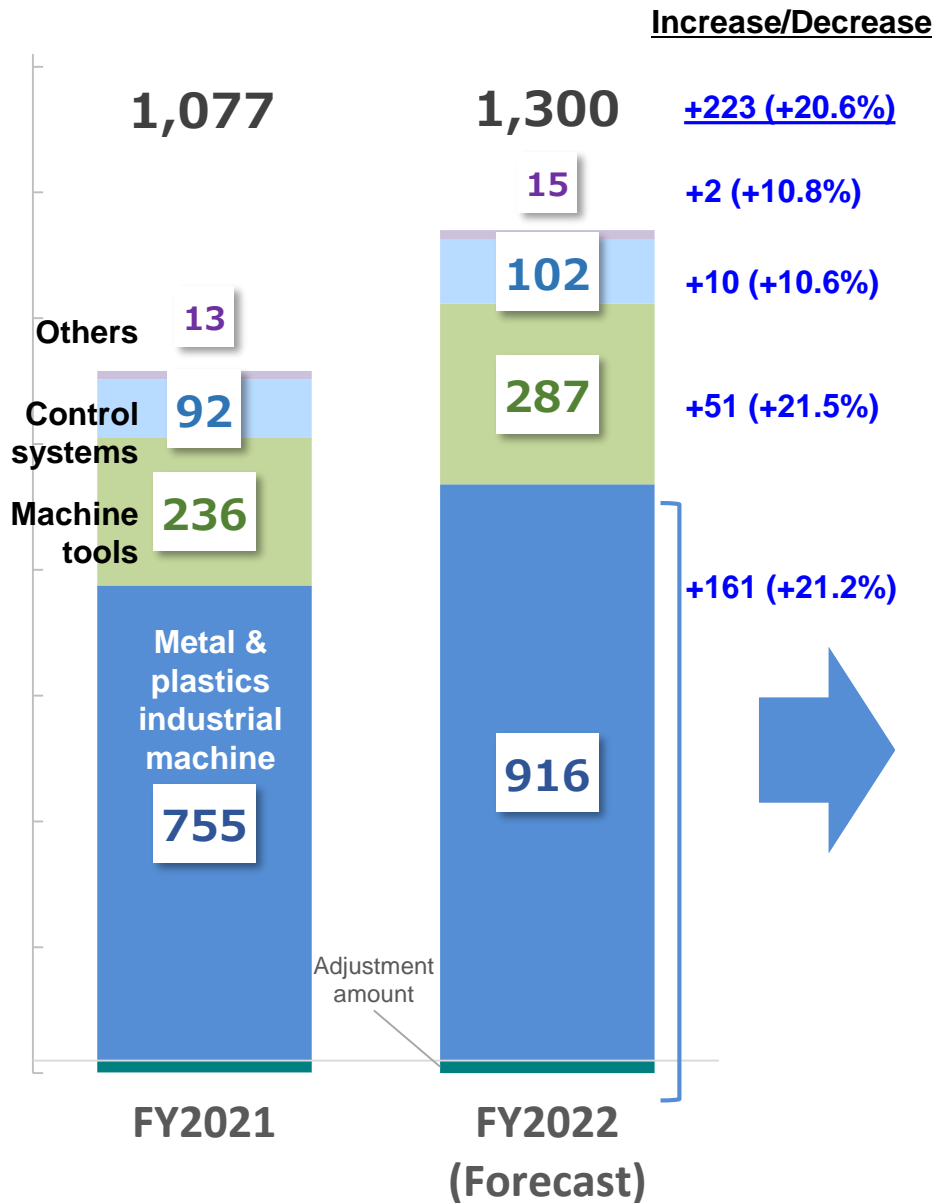
## Breakdown of Metal & Plastics Industrial Machinery



# Net Sales (By Segment)

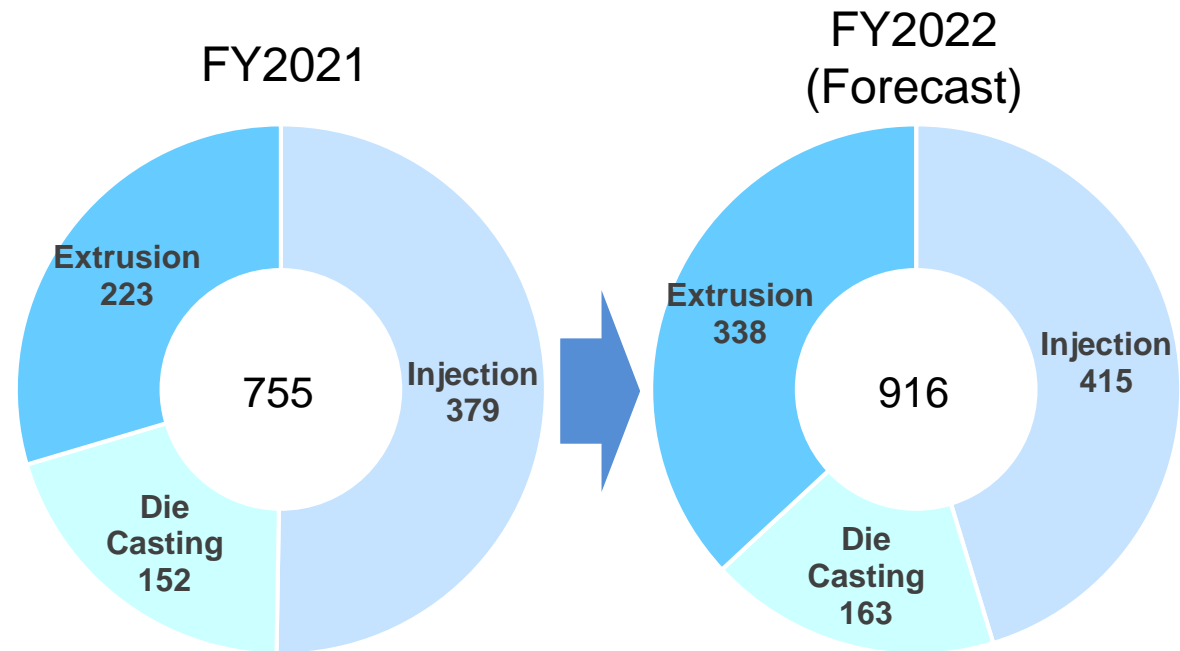
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

## Breakdown of Metal & Plastics Industrial Machinery

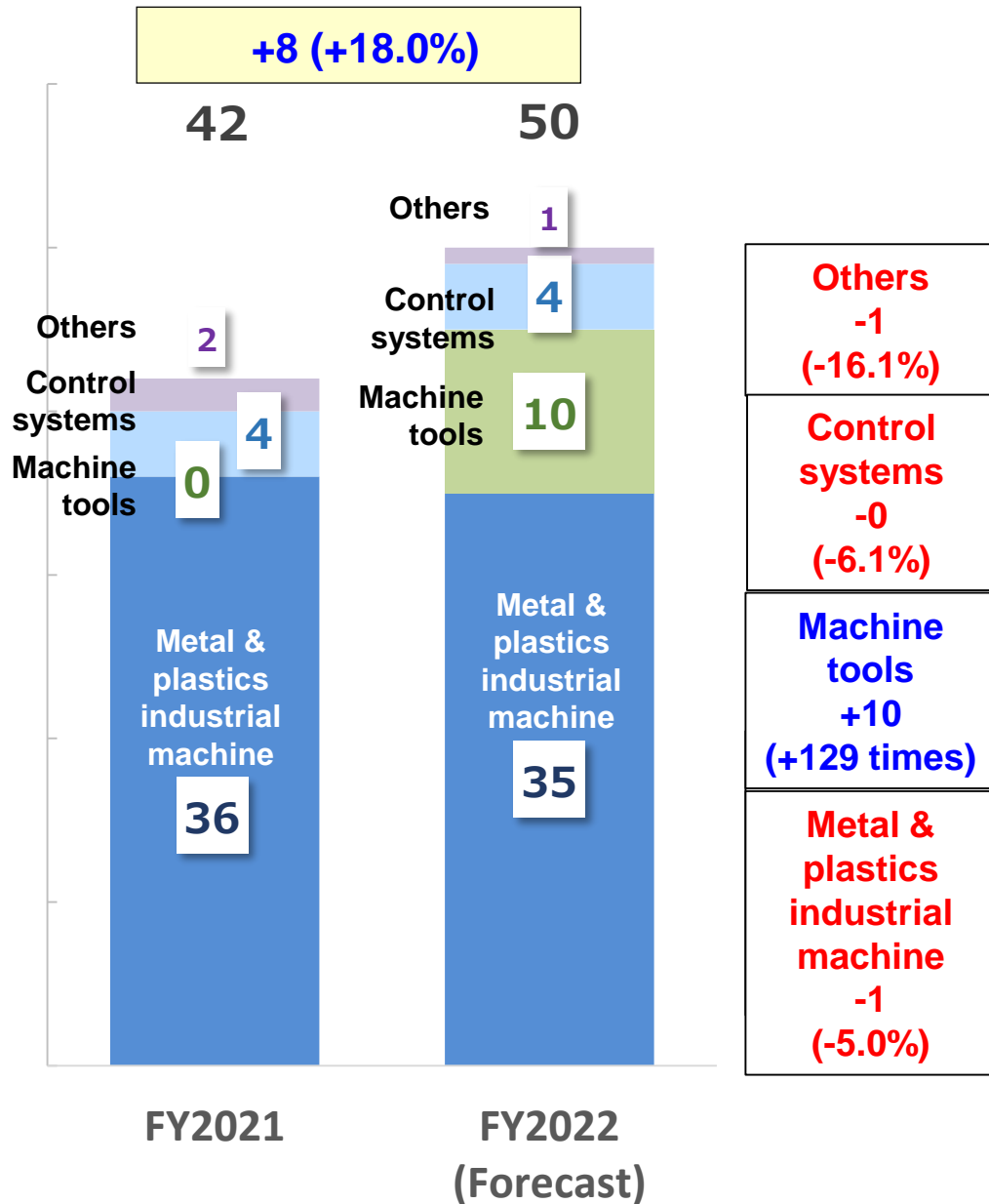




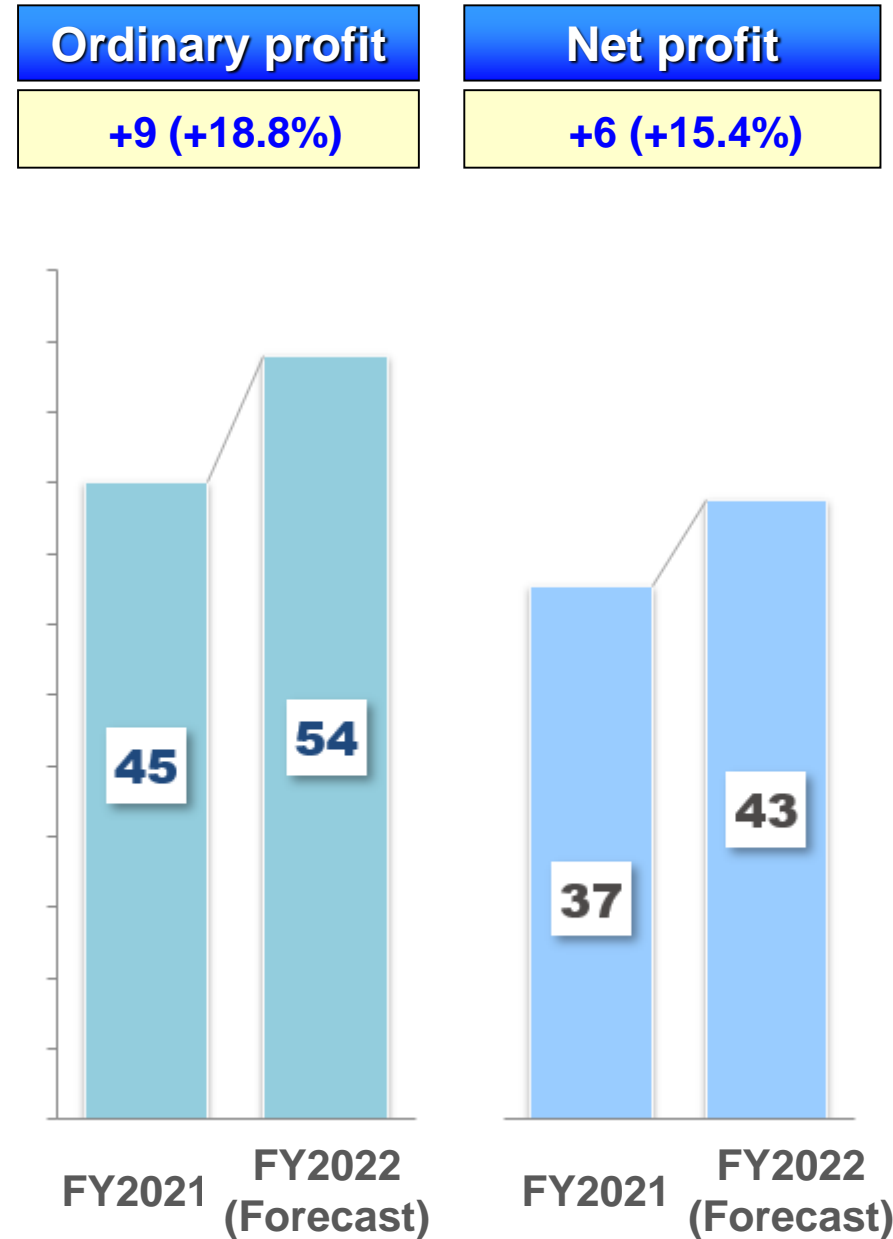
# Operating Profit (By Segment), Ordinary Profit, Net Profit

Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)



# (Metal & Plastics Industrial Machinery) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Injection molding machines, die casting machines, extrusion machines, etc.)

	FY2022 (Forecast)	FY2021	Increase/ Decrease Amount	Increase/ Decrease Ratio
Net sales	916	755	+161	+21.2%
Operating profit	35	36	- 1	- 5.0%
Profit ratio	3.8%	4.9%	—	- 1.1pt

## Performance Factor Analysis



### Positive Factors

- Increase in demand related to automobiles (including EVs) in Japan and overseas
- Injection: Increase in the number of medium to large electric machines amid the decarbonization trend in North America  
Increase in hydraulic machines in India
- Extrusion: Increase in LiB separator film production lines for EV in China



### Negative Factors

- Difficulty and rising costs in procurement of materials for semiconductors, etc.
- Impact of lockdown in China

# (Machine Tools) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Machine tools, high-precision machine tools, etc.)

	FY2022 (Forecast)	FY2021	Increase/ Decrease Amount	Increase/ Decrease Ratio
Net sales	287	236	+51	+21.5%
Operating profit	10	0	+10	+129 times
Profit ratio	3.5%	0.0%	—	+3.5pt

## Performance Factor Analysis



### Positive Factors

- Machine Tools: Increase in demand for industrial machinery in Japan and energy-related applications in North America
- Precision: Steady sales to optical-related applications in Japan



### Negative Factors

- Precision: Decrease in smartphone lens molds in China and Taiwan
- Difficulty and rising costs in procurement of materials for semiconductors, etc.

# (Control Systems) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Industrial robots, electronic control systems, etc.)

	FY2022 (Forecast)	FY2021	Increase/ Decrease Amount	Increase/ Decrease Ratio
Net sales	102	92	+10	+10.6%
Operating profit	4	4	- 0	- 6.1%
Profit ratio	3.9%	4.6%	—	- 0.7pt

## Performance Factor Analysis



### Positive Factors

- Increase in engineering solutions and electronic control systems in Japan



### Negative Factors

- Difficulty and rising costs in procurement of materials for semiconductors, etc.

# R&D Expenses, Capital Expenditures, Depreciation Expenses

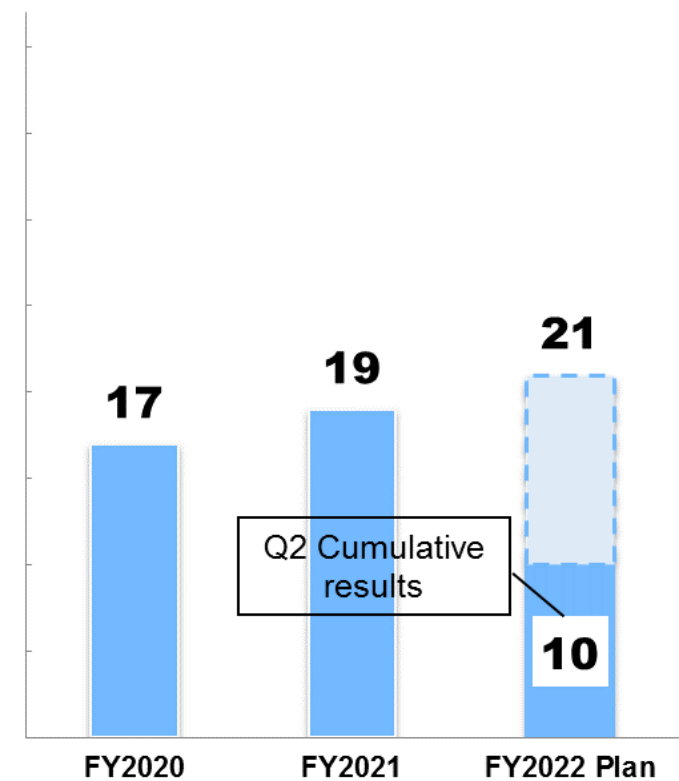
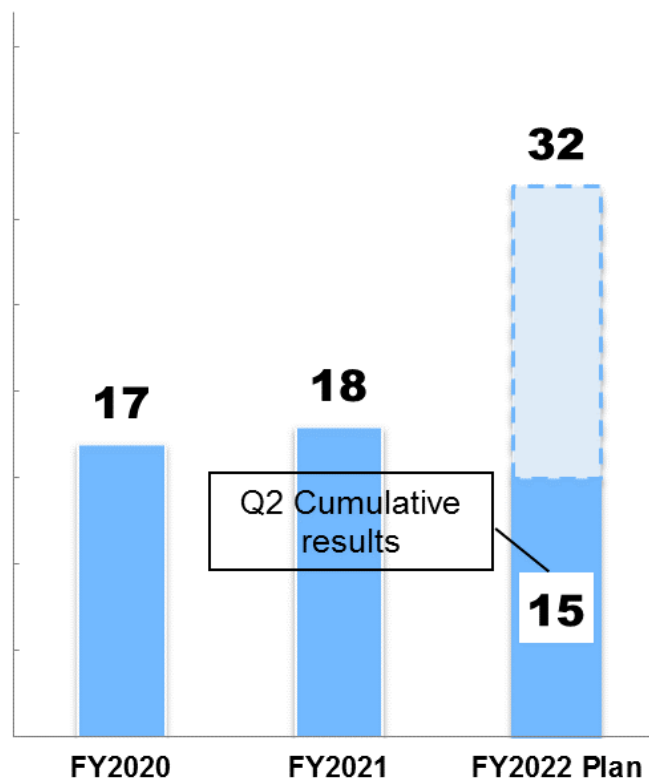
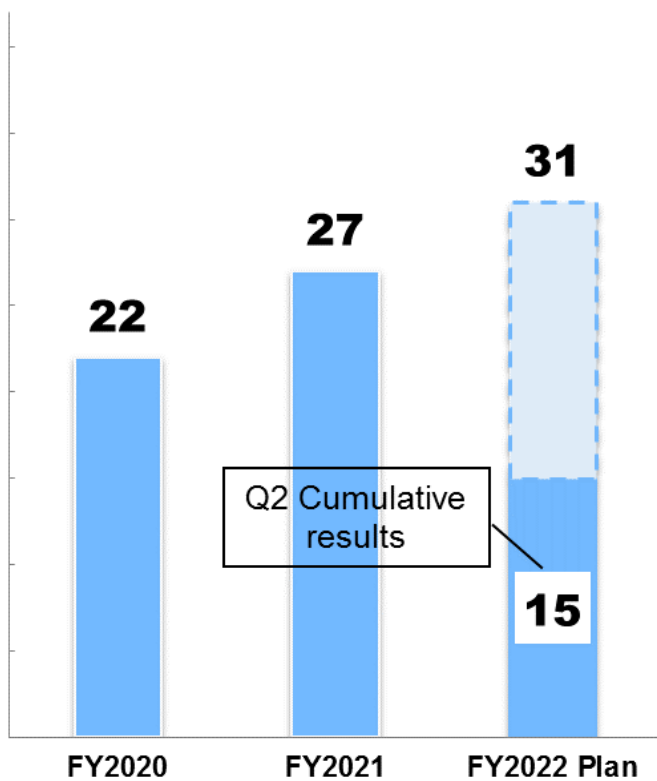
Shibaura Machine

(Unit: 100 million yen)

## R&D Expenses

## Capital Expenditures

## Depreciation Expenses



## No change from the most recently announced dividend forecast

### Policy on Determination of Dividends

Our basic policy is to maintain stable dividends and to distribute profits in line with business performance while strengthening our management structure to improve profitability.

With regard to retained earnings, we will make strategic decisions on future business development for the purpose of continuous corporate growth, and effectively invest in production facilities, technological development, overseas expansion, and other areas. We will also continue to return profits to shareholders in an appropriate manner.

	Interim	Year-end	Full-year	Dividend payout ratio (Consolidated)
FY ended March 31, 2021	<b>37.5 yen</b>	<b>37.5 yen</b>	<b>199.3 yen</b>	—
FY ended March 31, 2022	<b>37.5 yen</b>	<b>37.5 yen</b>	<b>75.0 yen</b>	48.6%
<b>FY ending March 31, 2023 (Forecast)</b>	<b>37.5 yen</b>	<b>37.5 yen</b>	<b>75.0 yen</b>	<b>39.4%</b>

\* We have declared an extraordinary dividend totaling approximately 3 billion yen (124.30 yen per share) with a record date of June 30, 2020. The annual total for the fiscal year ended March 31, 2021 includes an extraordinary dividend of 124.30 yen.

# Shibaura Machine

**SHIBAURA MACHINE CO., LTD.**

2-2, Uchisaiwaicho 2-Chome, Chiyoda-ku, Tokyo 100-8503, Japan  
TEL +81-3-3509-0444 FAX +81-3-3509-0333 URL: <http://www.shibaura-machine.co.jp/>